



SAN JOAQUIN FARM BUREAU FEDERATION

MEETING TODAY'S CHALLENGES • PLANNING FOR TOMORROW

OVERVIEW

The San Joaquin Farm Bureau Federation's Board of Directors, representing close to 5,000 member families, strongly opposes the current CALFED plan.

- **The large-scale retirement and conversion of prime and productive farmland to other uses will have devastating impacts on the communities and the economy of California.** Up to 914,000 acres of agricultural lands is targeted for retirement or conversion away from food production to other uses. Between 250,000 and 300,000 acres of this is prime and highly productive Delta farmland. In San Joaquin County, agriculture accounts for almost \$1.5 billion dollars in direct on-farm revenue. Removal of private lands from the tax rolls will burden local governments with declining tax revenues, thereby reducing funding for infrastructure, education, and demand for labor. In San Joaquin County, more than 30% of all jobs rely on agriculture and its related industries. Removal of land from agriculture production will increase unemployment, increase the demand for social services and severely impact the businesses and industries that rely on and serve agriculture. The conversion of agricultural land to other purposes cannot be a part of CALFED.
- **The reallocation of substantial amounts of water away from agriculture as an alternative to creating adequate and much-needed surface water storage facilities will severely affect and threaten the future of California water.** A reliable and affordable source of water is crucial to meet the needs of all Californians. Storage and conveyance facilities are key elements to the future of water in California and must be key elements of the plan. Surface water storage will provide significant flood control and fishery benefits, as well as ensuring the protection of groundwater basins by helping to alleviate the need for groundwater pumping and transfers.
- **Farmers and ranchers must be guaranteed that their surface and groundwater rights will not be threatened under the CALFED plan.** Much of the agriculture land targeted for conversion has riparian and pre-1914 water rights, which will also apparently be converted to "other uses." CALFED programs require efficient water use from the agriculture and urban sectors, but do not require the same efficiencies of the environmental faction. Water resulting from more efficient water management by non-agricultural uses will continue to be available for use by those sectors however, any water made available by taking agricultural land out of production and from increased water efficiency by agriculture will also be made available to those non-agricultural sectors.

We emphatically oppose a plan that will be as devastating and damaging to agriculture as this plan is. If implemented, CALFED will ultimately wreck havoc on the economy of the entire state. There is little, if any benefit to California agriculture under the current plan although it is agriculture that will be most severely impacted. Unless the plan is drastically improved and changes made that will ensure the future viability of California agriculture, we will remain vehemently opposed to CALFED's proposed "solution."

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COOPERATION OR CLICHÉ?

At its inception, the elemental premise of CALFED was that all interests move forward cooperatively. The CALFED cliché being used most recently is that of such interests "getting better together." However, under the current CALFED plan, agriculture will not move forward nor "get better." Unfortunately, neither will the Delta or for that matter, California.

THE VALUE OF AGRICULTURE

The Delta, and its tributaries, provides water to more than 22 million Californians and irrigates almost 5 million acres of the most productive and fertile farm ground in the world. California agricultural land is a resource of global significance and we must continually strive to preserve and sustain this state's vital agriculture economy. This farm ground produces 45% of the nation's fruits and vegetables. A variety of plant and animal species rely on this unique estuary as habitat. The ecological and economic health of our state depends upon the quantity and quality of the water that travels into and out of the Delta. Water is a key resource for business, industry and agriculture. It takes water to grow our food, to manufacture our material goods and to retain and develop jobs. Presently, it appears that the preeminent CALFED solution is based on the redirection and reallocation of agricultural water and the conversion of productive agricultural farmland to other uses. The conversion of agricultural lands to other purposes cannot be a part of the CALFED solution. Any solution must integrate and include the principle that agriculture is crucial to the state's economy and environment.

CONVERSION OF AGRICULTURAL LANDS - Consequences and Impacts

Through CALFED up to 914,000 acres of productive agriculture lands will be retired or converted away from food production. This includes, but is not limited to, up to 152,000 acres for ecosystem restoration, 35,000 acres for long term levee protection, 82,000 acres for storage and conveyance and up to 600,000 acres for demand reduction. (Acreage cited is taken directly from CALFED's own Draft Programmatic EIR/EIS.) Ironically, many of the land conversion and retirement proposals espoused by CALFED fail to satisfy CALFED's own Solution Principles. Land retirement will not reduce conflicts because demands on the system will continue to exceed capacity. Retirement does not meet the criteria for equitability when the devastation of Central Valley agricultural production and rural economic activity are compared to uncertain and marginal environmental benefits. Land retirement is not affordable when viewed in the context of its negative impact on economic activity, employment and local governments. And, simply, land retirement clearly violates the principle of no significant redirected impacts. Furthermore, several other components (*including a Habitat Conservation Plan, an Adaptive Management Strategy and a Water Transfer Policy*) of CALFED's proposal may require additional commitments of agricultural land and water. These unknown impacts will intensify the consequences of agricultural land and water conversion.

CONVERSION OF AGRICULTURAL LANDS - Impact on the Economy

California agriculture generated \$24.8 billion in direct, on-farm revenue and over \$70 billion in total economic activity in 1996. Nearly two-thirds of this on-farm revenue was derived from the 18 counties that make up the Central Valley. Depending on the type of crop grown, each acre of irrigated farmland should be viewed as a factory that produces

between \$6,000 to \$15,000 per year for the local economy. In San Joaquin County, agriculture accounts for almost \$1.5 billion dollars in direct on-farm revenue. Because California, the Central Valley and San Joaquin County produce such a wide array of crops and commodities, every acre idled here will require three to four acres of production in another country. In many cases, food crops produced elsewhere are not required to meet the same stringent food safety and environmental protections already in place in California. In addition, many of the commodities produced in the Central Valley and in San Joaquin County are inputs for other sectors of agriculture, for example machinery, technology, credit and finance, transportation, food processors and other allied industries. These businesses will be severely impacted by removing land from agriculture production.

CONVERSION OF AGRICULTURAL LANDS - Impact on the Community

Privately owned farmland is critical to the tax base of rural communities. Converting or retiring farmland through government acquisition will remove these lands from the tax rolls and burden local governments with declining tax revenues. Faced with declining tax revenues, agriculturally based communities may find it difficult to invest in necessary infrastructure projects. Farmland retirement and conversion will also have a devastating impact on employment. In San Joaquin County, more than 30% of all jobs rely on agriculture and its related industries. With higher unemployment comes an increase in demand for the social services provided by city and county government, at the same time there will be a reduction in tax revenues due to private land conversion and retirement. As a result, meeting this increased demand for social services will be extremely difficult. In addition, conversion and retirement of farmland will reduce the demand for labor that will, in turn, impede the ability of people to make the transition from welfare to work. As employment opportunities decline, residents will begin to leave the area. Consequently, funding for education and schools will also decline as average daily attendance numbers drop due to the relocation of families coupled with the reduction in private property tax revenues.

WATER RIGHTS AND USE MANAGEMENT

Water rights must not be impaired under CALFED and the program must guarantee farmers and ranchers that their surface and groundwater rights will be protected. In addition, area of origin rights must be fully recognized and fortified by CALFED. Much of the agriculture land targeted for conversion to another use has primarily riparian and pre-1914 water rights that would also, apparently, be converted to "another use." Even though CALFED programs require efficient water use from both the agricultural and urban areas, no such efficiency requirements exist for the environmental faction. Water resulting from more efficient water management by non-agricultural uses will continue to be available for use by those sectors however, any water made available by taking agricultural land out of production and from increased water efficiency by agriculture will also be made available to those non-agricultural sectors.

STORAGE AND CONVEYANCE FACILITIES

Conveyance and storage facilities, both off stream and on stream, are key elements to the future of water in California and a surface water storage plan must be required as part of CALFED. A reliable and affordable source of water is crucial to meet the needs of all Californians and will serve to protect urban and agricultural water quality and supply. The state has not increased storage significantly in 30 years, yet the population has increased tremendously. Projections estimate that year 2030 population will reach 50 million. We cannot expect to meet these increasing demands with the current water supply. New water supplies are imperative to meet growing urban and agriculture needs as well as environmental obligations. Surface water storage must also provide important flood control and significant fishery benefits. In addition, surface water storage is necessary to avoid the mining of groundwater, including out of basin groundwater transfers. Plans to use delta groundwater as a future supply for urban and environmental uses under the auspices of conjunctive management should be abandoned. It appears that conjunctive use, under the program, means transferring groundwater either directly or indirectly for non-agricultural use as part of the program. The potential environmental impacts of groundwater overdraft cannot be ignored.

HABITAT

CALFED indicates that a variety of current land uses, including urban development, have altered natural habitats, yet there is no proposal to convert urban areas into natural habitat. It appears that agriculture is being singled out to carry the burden of habitat creation. The California Environmental Quality Act (CEQA) requires that negative impacts to agriculture be mitigated or avoided. CALFED must fully analyze the conversion of agricultural land and the reallocation of water to other uses, as these resources are a vital part of the existing environment. An important and often overlooked aspect of agriculture is the valuable habitat that farmlands already provide. Growing crops and providing habitat are not mutually exclusive. Farming and ranching make the state's open spaces economically feasible. Agricultural lands provide habitat for numerous species of wildlife including migratory waterfowl, raptors, reptiles and mammals. This habitat is privately owned and maintained and comes at no cost to the government. Publicly maintained habitat is expensive; it has been estimated that habitat maintenance costs could reach \$85 to \$100 per acre. Maintaining 600,000 acres of government owned habitat could cost taxpayers upwards of \$60 million annually. CALFED acknowledges that converting farmland in the Delta to wetlands and habitat will actually increase water use from the current agricultural use level. This new additional water demand for habitat will likely come from other farmlands. Environmental interests must also be urged and required to develop water to meet environmental obligations. Ecosystem restoration projects must be based on sound science. Simply throwing millions of acre-feet of water at problems without biological and ecological justification is not the reasonable management of a limited resource.

CUMULATIVE IMPACTS MUST BE CONSIDERED

The large scale conversion or retirement of agricultural land and reallocation of agricultural water as part CALFED's proposed solution will have devastating social, economic and environmental impacts. The cumulative impacts of the CALFED plan, in conjunction with other projects, for example the Central Valley Project Improvement Act (CVPIA), the Bay/Delta Water Rights process, the Department of Water Resources (DWR) Supplemental Water Purchase Plan, local and regional Habitat Plans and numerous others will have a serious and substantial impact on the Delta and all of California.

FUNDING - FAIR AND EQUITABLE?

At the present time, there is little, if any benefit to California agriculture, yet it is agriculture that is being asked to make the biggest sacrifice. Therefore, it appears that those who receive no benefit from CALFED will nonetheless be required to pay for it. Ideally, those who need new supplies and who benefit from them, such as urban and environmental uses, must also be responsible for paying for those supplies. Fairness and equity with respect to responsibility and cost must be at the forefront of the plan. We cannot continue investing public funds in CALFED without explicit insurance that California agriculture will not be solely responsible for the solution.

NO ASSURANCES FOR AGRICULTURE OR CALIFORNIA

We are quickly losing confidence that CALFED will include the necessary components to ensure the success of the program; a program that will benefit farmers, ranchers and quite simply, all residents of this state. We cannot support a program that does nothing to ensure these benefits. It is impossible to approve or endorse a program that is so blatant and extreme in its damage to our valuable agriculture industry and the economy of this state